

# ***NEWS RELEASE***

## **DEFENSE REUTILIZATION AND MARKETING SERVICE**

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Office of Public Affairs (616) 961-7015, World Wide Web: <http://www.drms.dla.mil>.  
e-mail: [pubaff@drms.dla.mil](mailto:pubaff@drms.dla.mil), fax: 616/961-7410  
Federal Center, 74 N. Washington, Battle Creek, MI 49017-3092

**For Immediate Release**

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### **DLA Announces Public-Private Competition of Selected DRMO Functions**

BATTLE CREEK, Mich. -- The Defense Logistics Agency (DLA) today begins public-private competitions for selected logistics functions at 10 Defense Reutilization and Marketing Offices (DRMOs) located in Portsmouth, N.H.; Groton, Conn.; Watertown, N.Y.; Tobyhanna, Pa.; Chambersburg, Pa.; Fort Meade, Md.; Richmond, Va.; Lakehurst, N.J.; Mechanicsburg, Pa.; and Portsmouth, Va. The competitions will affect approximately 93 Department of Defense civilian employees. Based on historical data, DLA estimates that the competitions will result in a 20-percent reduction in operating costs at those locations.

The ten offices are:

- DRMO Meade, Fort Meade, Maryland
- DRMO Richmond, Richmond, Virginia
- DRMO St. Julien's Creek, Portsmouth, Virginia
- DRMO Groton, Groton, Connecticut
- DRMO Portsmouth, Portsmouth, New Hampshire
- DRMO Drum, Watertown, New York
- DRMO Tobyhanna, Tobyhanna, Pennsylvania
- DRMO Lakehurst, Lakehurst, New Jersey
- DRMO Mechanicsburg, Mechanicsburg, Pennsylvania
- DRMO Letterkenny, Chambersburg, Pennsylvania

Located at most major military installations, DRMOs receive, temporarily store, and dispose of excess military property such as vehicles, hand tools, machinery, clothing items and furniture.

The Defense Reutilization and Marketing Service (DRMS), which manages the DRMOs, will compare the government's cost of logistics processes such as receiving, storing, packaging, crating, property handling and transportation with private-sector bids. DRMS plans to issue a solicitation by Jan. 31, 1999, and expects to make a final comparison decision by Nov. 30, 1999.

DRMS will follow Office of Management and Budget Circular A-76 procedures when conducting the competitions. The A-76 process offers a fair and effective approach for achieving

savings and efficiencies. The competition will determine whether it is more cost effective for a function to be performed by the private sector or by government employees.

In 1994, DRMS was named a privatization candidate by the Defense Performance Review. Since that time, DRMS has focused on integrating best business practices into its operations, and injecting competition into its activities where doing so makes good business sense.

For more information, contact the DRMS Public Affairs Office at (616) 961-7015.